



Janda III - Cádiz - Spain

edp renováveis

1H18 RESULTS

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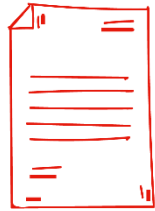
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HIGHLIGHTS OF THE PERIOD

Executing a solid strategic agenda

Quality assets

97.0% availability

lower vs 97.8% in 1H17 due to specific causes in some wind farms

34% load factor stable vs 1H17

99% of long-term average (P50)

Core Opex/ Avg. MW -1% YoY

backed by cost control & O&M strategy in place

93% of Revenues fixed for 2018⁽¹⁾

€54/MWh avg. selling price, -11% YoY (-6% ex-fx)

Selective and profitable growth

+616 MW installed YoY

>1.0 GW additional capacity already under construction

>100% of 2020 target secured

target +3.5 GW of additions in 2016-20

€686m EBITDA (-5% YoY; +1% YoY adj.⁽²⁾)

Impacted by fx, expected PTCs expiring (10 y) & Eastern Europe top-line

Net Profit €139m (+4% YoY)

lower effective tax rate & financial results positive evolution

Self-funding business

UK offshore 20% sale down

anticipating value creation in an early stage project

€282m Net Debt & TEI increase

reflecting forex & investments in the period, while keeping a very solid balance sheet

Cost of debt at 4% Jun-18 (3.9% Jun-17)

despite increased exposure to currencies with higher interest rate

Retained Cash Flow⁽³⁾ at €507m

+3% YoY vs 1H17 adjusted

(1) Status at Jun-2018; (2) Adjusted by fx (3) Note that RCF (Retained Cash Flow) includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept

EDPR is currently under a tender offer process

General tender offer to be launched by CTG



Offer price at €7.33 (6-month VWAP⁽¹⁾),
the minimum set by Portuguese Securities Code

Subject to a set of conditions (success on the offer over EDP,
regulatory approvals in several countries, etc)

EDPR Board of Directors recommendation report



EDPR BoD recommended not to accept the offer price

At the same time the potential regulatory implications and
outcomes, in particular those that may affect the United
States business, are not clear and may impact EDPR strategy
and growth prospects



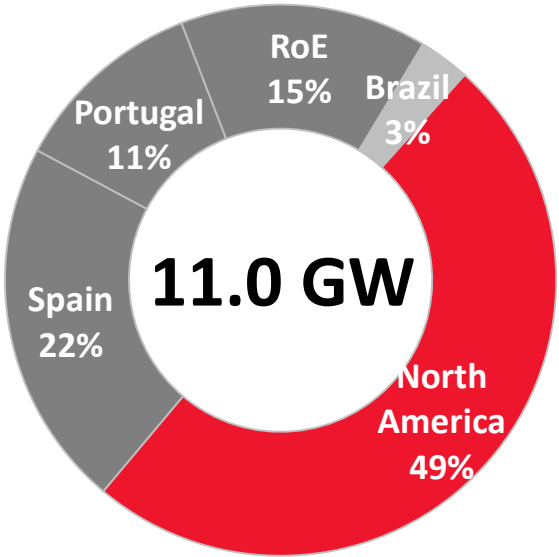
CMVM clarified (July 18th) offers timelines, recognizing the possibility of another offer registration for EDPR prior to CTG's

(1) VWAP – Volume weighted average price; previous to the preliminary announcement (6-month VWAP;
-7% vs close);

1H 2018 Results

EDPR reached global portfolio of 11.0 GW of assets with 8 years of average age

Installed Capacity⁽¹⁾
(EBITDA MW + Equity Consolidated)



→ Average Installed Capacity increased +7% YoY

YoY Additions

Under Construction



+423 MW

+679 MW



+66 MW

+270 MW



+127 MW

+137 MW



+616 MW





> 1.0 GW

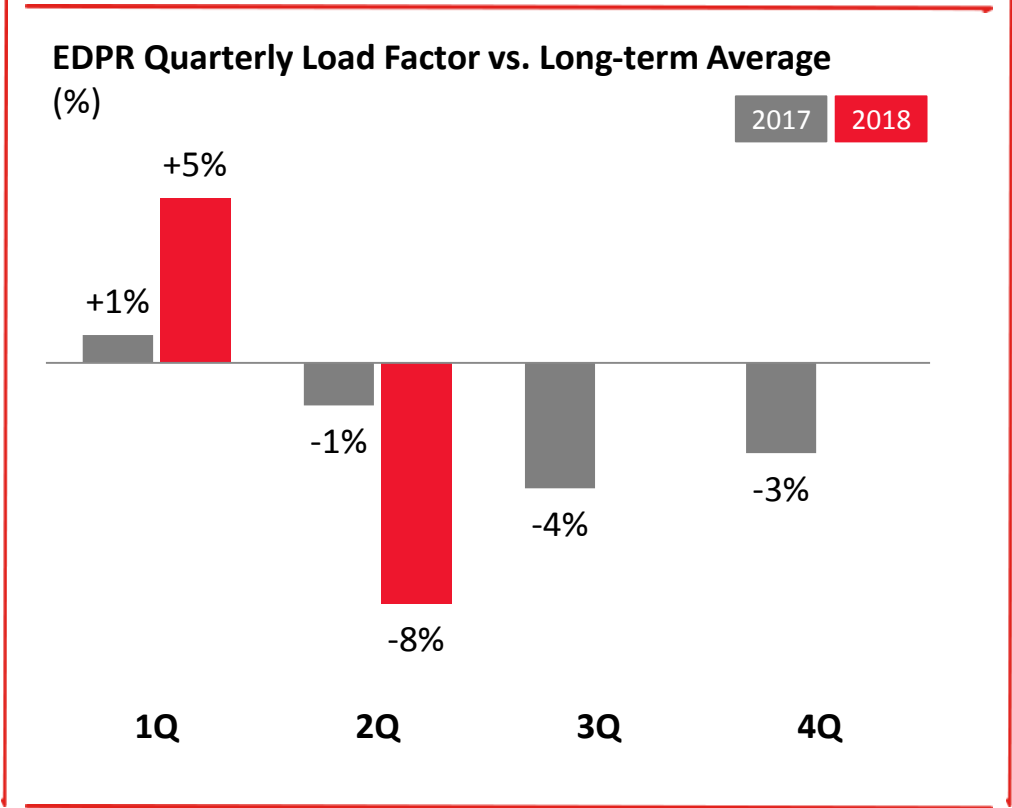
616 MW added YoY and 1,086 MW already under construction

(1) Incl. equity consolidated: 152 MW in Spain & 179 MW in the US

1H18 load factor at 34% unchanged YoY

Load Factor and Technical Availability⁽¹⁾

	1H18	Δ% YoY	1H18 vs. Average (P50)
	29%	+0.8pp	101%
	38%	-1.0pp	98%
	30%	-5.7pp	93%
	34%	-0.1pp	99%
EDPR Availability¹	97.0%	-0.8pp	

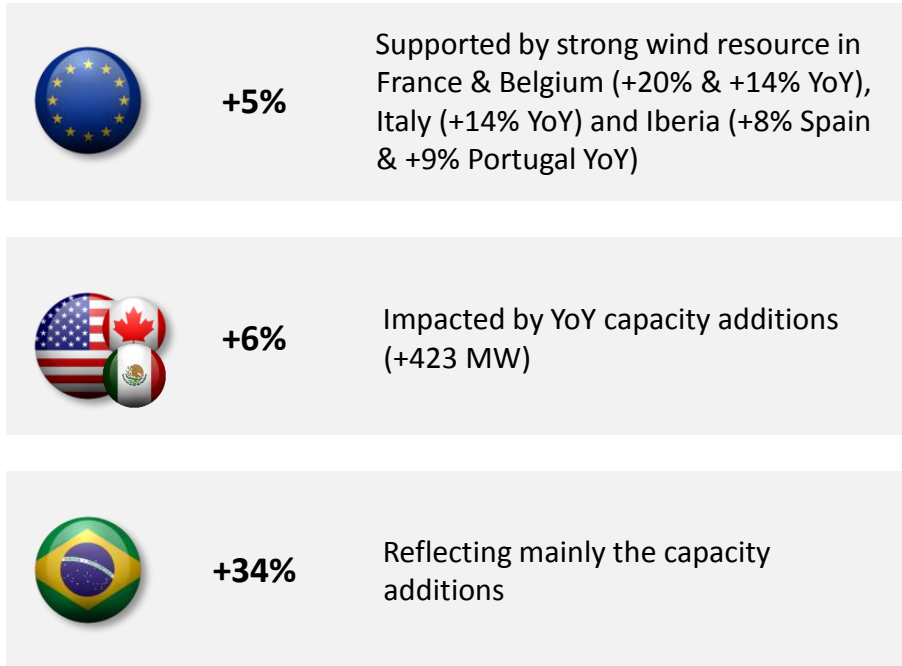


In 1H18, EDPR reached a 34% load factor (stable YoY) representing 99% of long term average (vs 100% of P50 in 1H17)

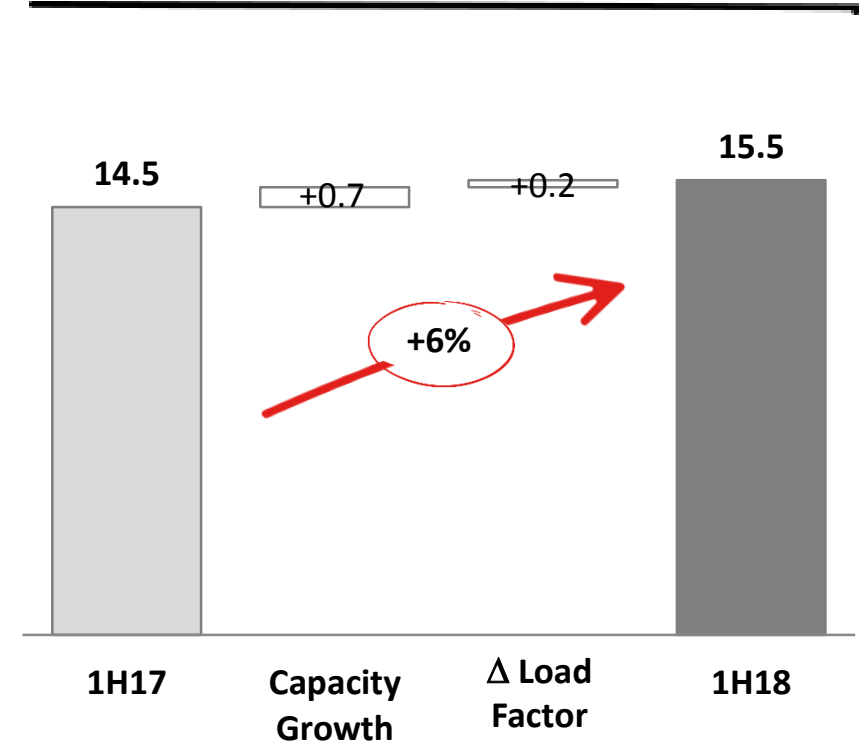
(1) Technical Energy Availability (TEA)

+6% growth in electricity output, mainly driven by higher capacity in operation (+7%)

TWh
 $\Delta\%$ YoY






Electricity Production (TWh)



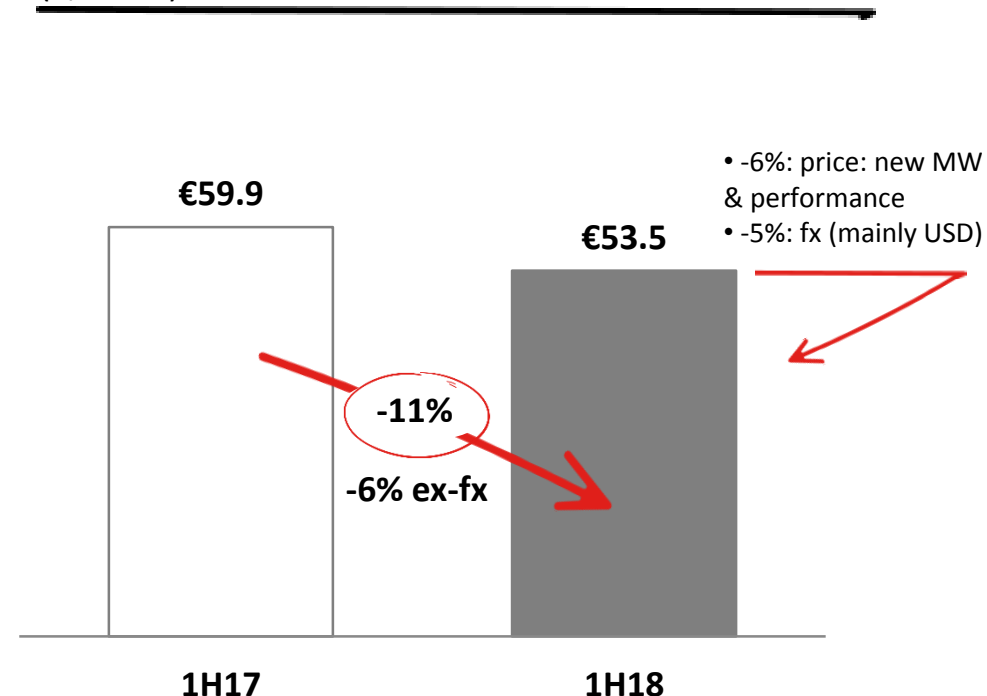
EDPR produced 15.5 TWh of clean electricity (+6% YoY), avoiding 12.4 mt of CO₂ emissions. Geographical output breakdown: 56% in North America, 41% in Europe and 3% in Brazil

Avg. price at €54/MWh (-11% YoY) mainly due to fx, expected lower prices in PL, RO and mix effect from new MW

1H18 $\Delta\%$ YoY⁽¹⁾

	€77.6	-6%	Lower realized prices in SP -4% and RoE -16% (mainly due to RO expected reduction by half of GC & PL lower substitution fee)
	\$45.1	-3%	US (-4%): hedges gains in 1H17 and mix effect from new MW; CAN (+5%): but flat in local currency MX: (+16%) new MW +2% @\$64
	R\$208.4	-7%	Different mix of a new wind farm in operation (production vs price)

EDPR Price Evolution (€/MWh)



**Average selling price totalled €53.5/MWh (-11% YoY),
mainly on the back of forex (-5% YoY; mostly USD) and expected price performance (-6% YoY)**

(1) Calculated in local currency

Revenues decrease 7% YoY where volume (+7%) is offset by forex translation (-5%), expected lower avg. selling prices (-5%) and scheduled PTCs expiring (-3%)

Main drivers for Revenues performance

Higher output: +6% YoY; +7% Avg. MW YoY

Lower availability YoY (97% vs 98%) with stable lower load factor at 34%. Volume: +€66m YoY

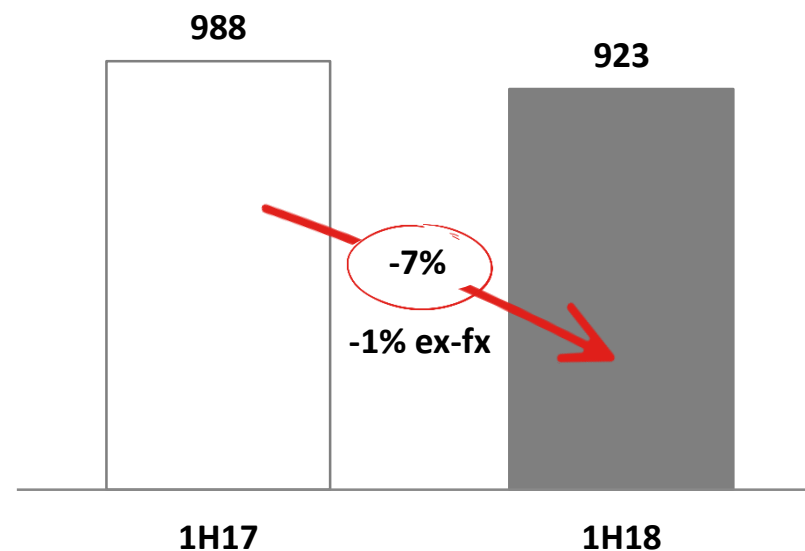
Lower average selling price: -11% YoY

-€45m from lower price performance in Europe & US and to a lesser extend to capacity additions mix

Forex impact & scheduled 10 years PTCs expiring

Impact from Fx and others: -€52m
PTCs expiring (10-year life): -€34m

Revenues
(€ million)

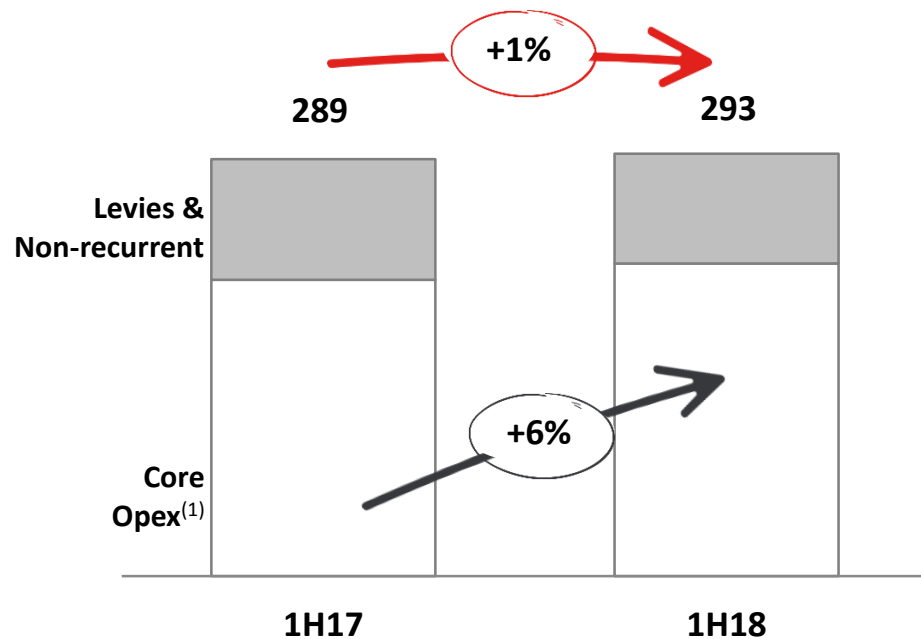


Revenues decreased €65m mainly due to lower prices (-€45m), forex translation & other (-€52m) along with PTCs expiring (-€34m), partially offset by higher volume (+€66m)

Core Opex per Avg. MW down 1% YoY

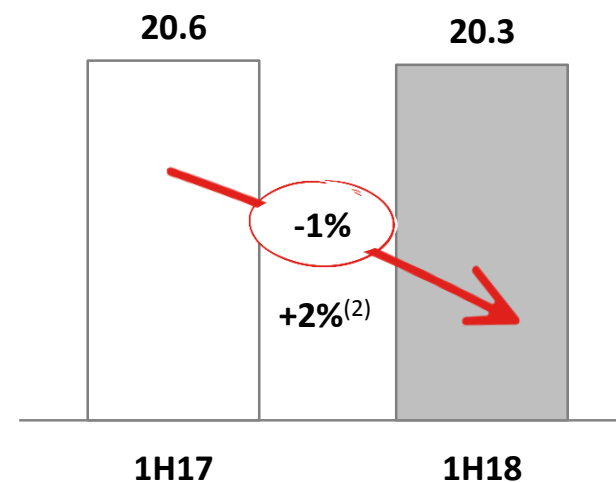
Opex (excludes Other Operating Income)

(€ million)



Core Opex/Avg. MW (€k)

(Supplies & Services and Personnel Costs)

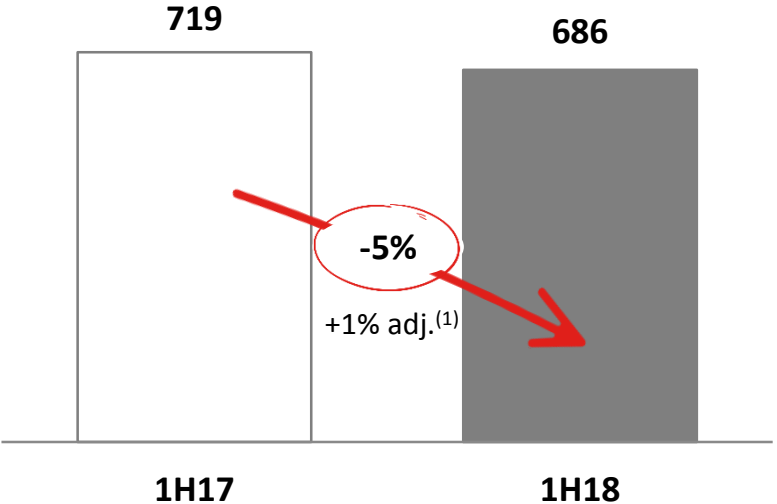


Core Opex increasing YoY on the back of higher installed capacity
Core Opex/ Avg. MW -1% YoY, reflecting forex, cost control and O&M strategy execution

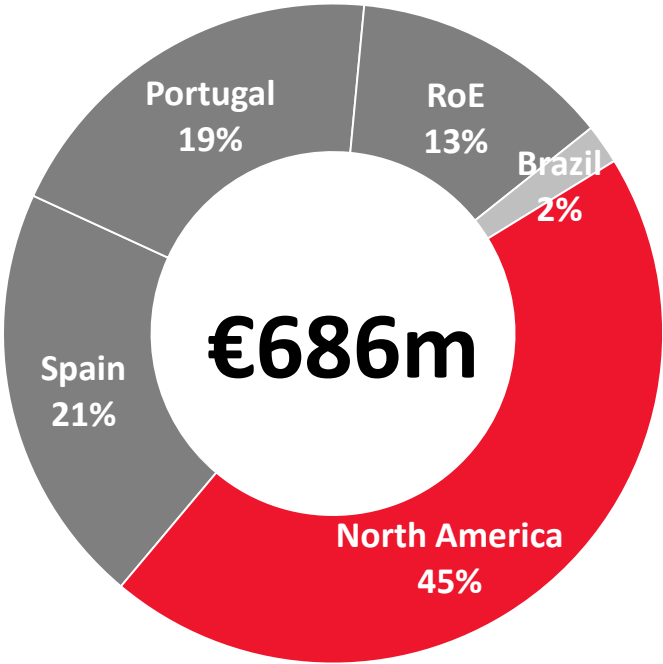
(1) Includes Supplies and Services and Personnel Costs; (2) Core Opex/avg MW adjusted by fx, one offs and offshore costs cross-charged to projects' SPVs

Delivering EBITDA of €686m; -5% YoY (+1% YoY if fx adjusted)

EBITDA
(€ million)



EBITDA per Region⁽²⁾
(%)



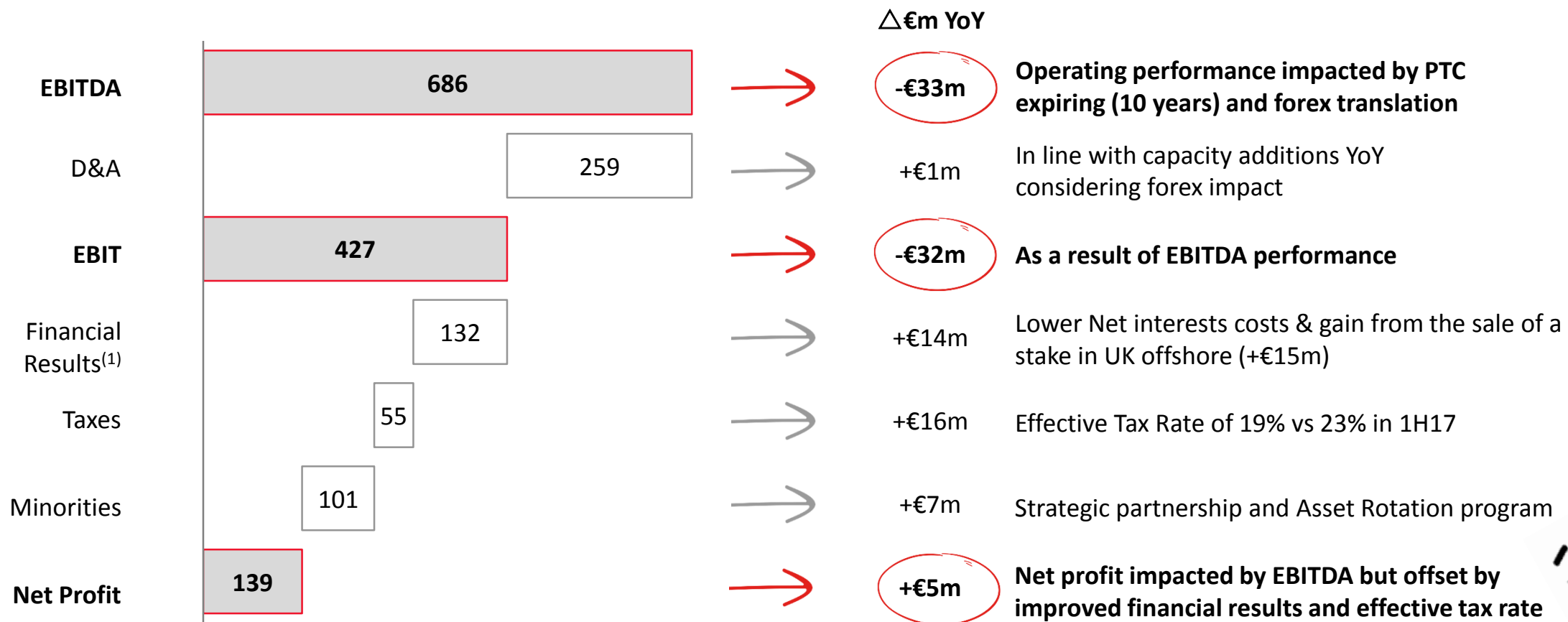
Reported EBITDA totaled €686m (lower YoY) impacted by a weaker performance of the top line on the back of forex along with expected lower prices and PTCs expiration (10 y)

(1) Adjusted by fx; (2) Includes hedges from Spain, Rest of Europe and US

Net Profit totalled €139m, increasing by +4% YoY, on better financial results & tax rate

1H18 EBITDA to Net Profit

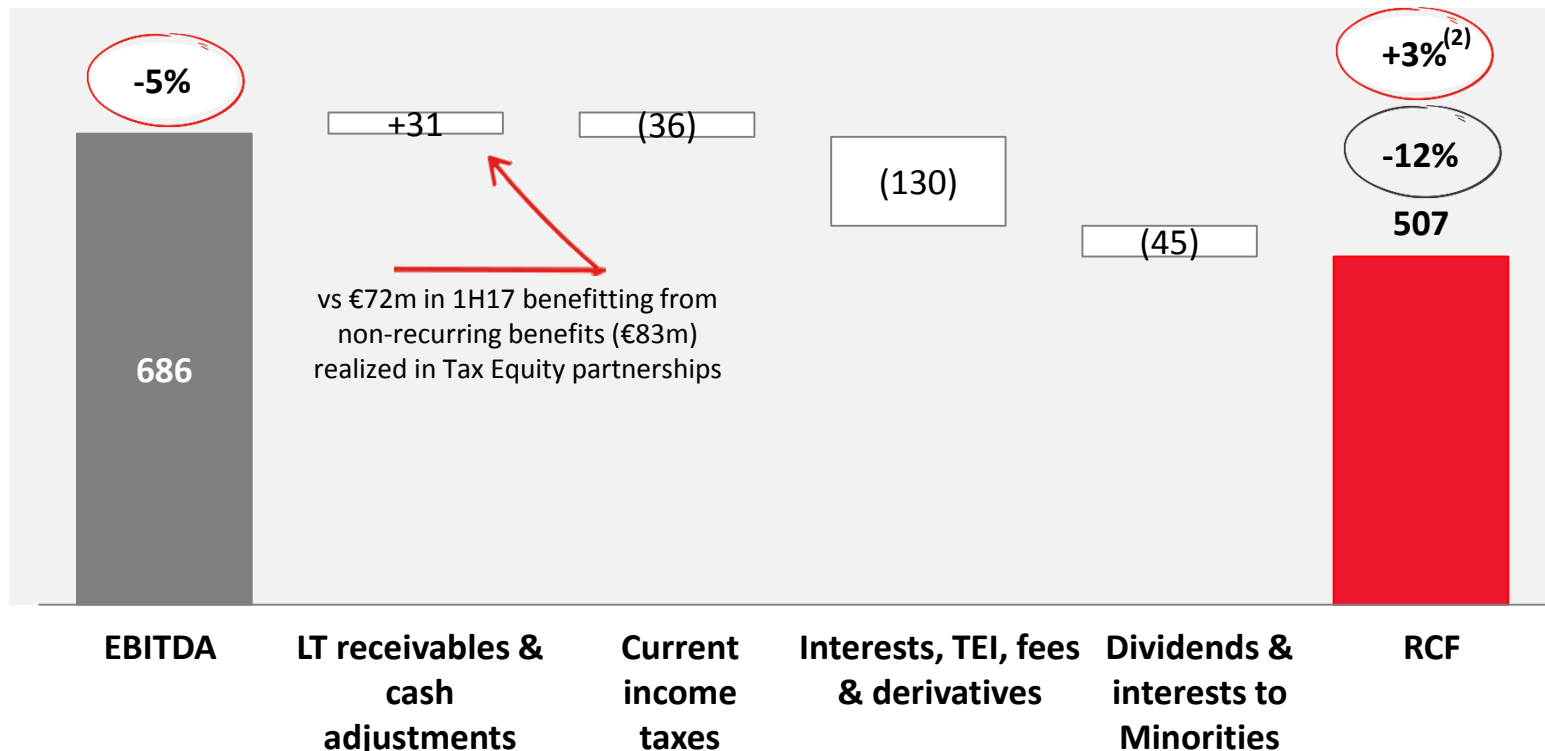
(€ million)



(1) Includes Share of profit of associates

Cash Flow generation with RCF at €507m; +3% YoY vs 1H17 adjusted

1H18: Retained Cash Flow (RCF)¹ (€ million)



Quality assets delivering cash-flow generation mostly from PPA and Feed-in Tariffs

Lower net interests costs (-8% YoY net of capitalization) notwithstanding fx impact

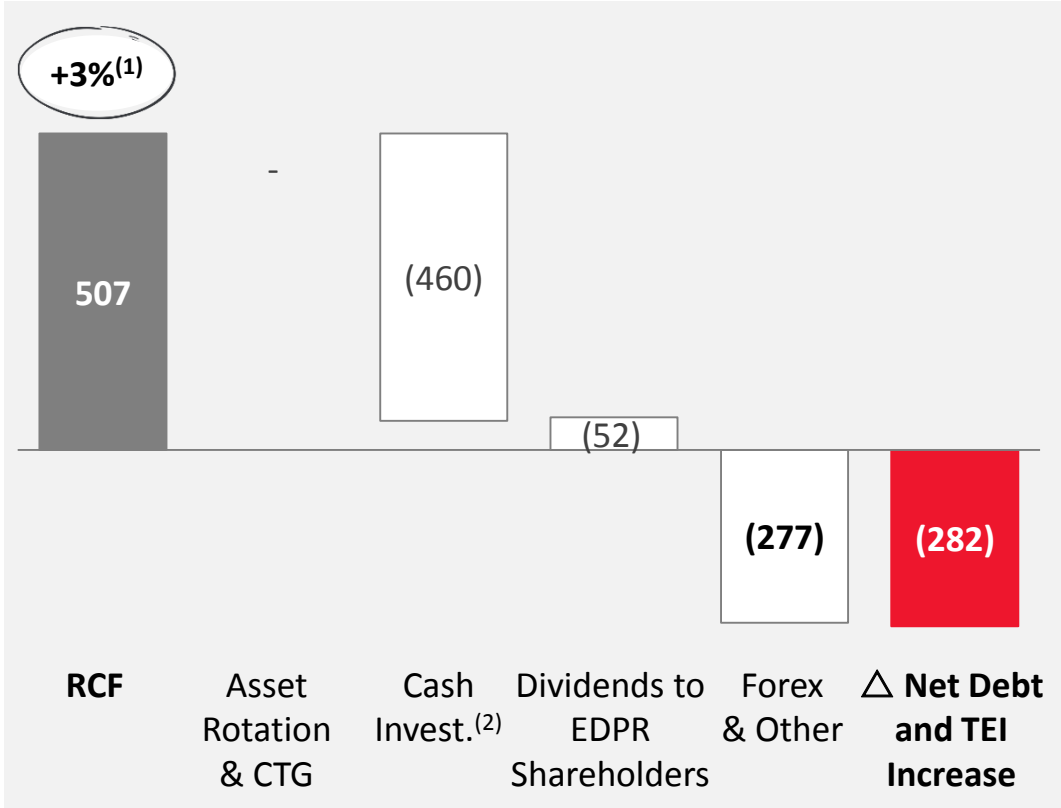
RCF¹ of €507m (vs €574m in 1H17) YoY comparison impacted by fx and higher non-recurring TEI realized benefits (€83m) in 1H17

Recurring Retained Cash Flow increasing 3% YoY outpacing EBITDA performance

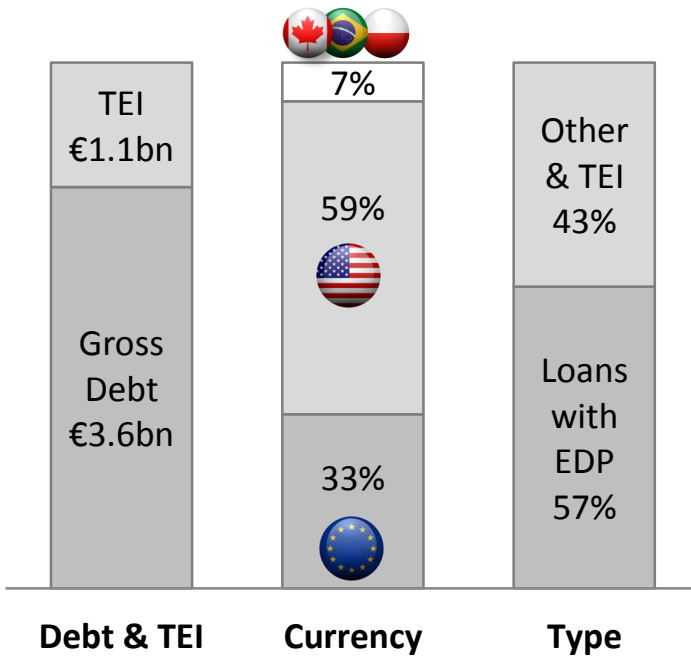
(1) Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in the Organic Free Cash-flow concept; (2) Like-for-like

Net debt and Tax Equity increased by €282m

1H18 from RCF to Debt and TEI variance
(€ million)



1H18 Debt and TEI Breakdown (%)

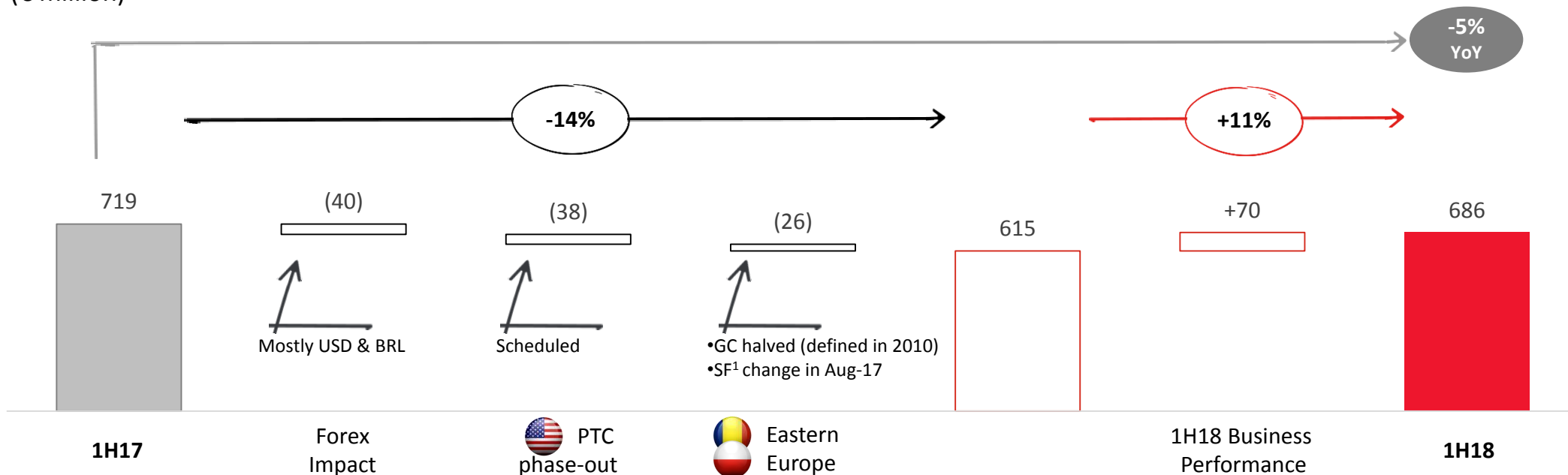


(1) Like-for-like (2) Cash investments include Capex, Net financial investments and Changes in working capital related with PPE suppliers and Government Grants

Business Plan Execution

A challenging transition year with YTD Business performance contributing with €70m at EBITDA, compensating 2018 expected discontinuities...

EBITDA YoY variance walk by driver
(€ million)



...and leading to +1% YoY EBITDA ex-fx

Net profit benefitting from EBITDA growth ex-fx (+1% YoY) and propelled by Sell-down strategy and Financial discipline

Sell-down strategy

Offshore strategy being executed

capturing early stage project value

Projects' NPV crystallization

accounted through capital gains

Recurrent strategy

to be extended to certain solar & onshore projects, besides offshore

Financial discipline

Balance sheet optimization

leading to lower Net Interests costs

Net interests costs (-9% YoY)

notwithstanding impact from new USD and BRL debt

Solid cash generation⁽¹⁾

assets' intrinsic value, operational & financial strategy

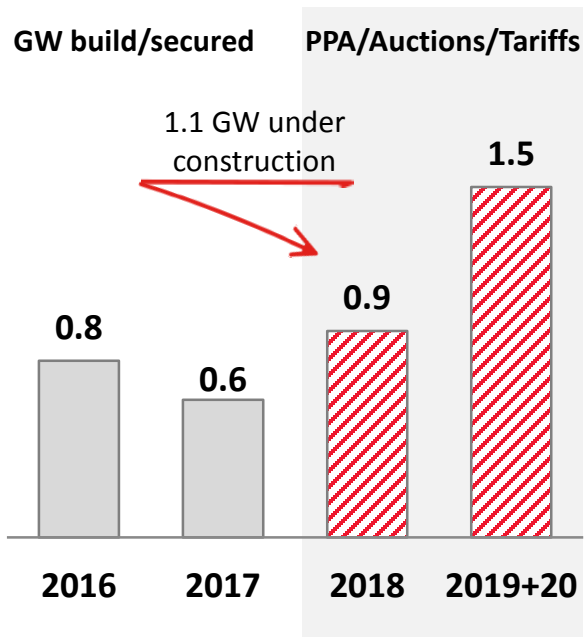
Net Profit +4% YoY and RCF +3% YoY (like-for-like)
Sell-down strategy set to generate further value on the top of intrinsic performance

(1) RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept

Outstanding business plan execution: 1.2 GW of PPAs secured YTD⁽¹⁾ in the US, leading EDPR to exceed its BP 2016-20 target capacity additions

3.8 GW Secured

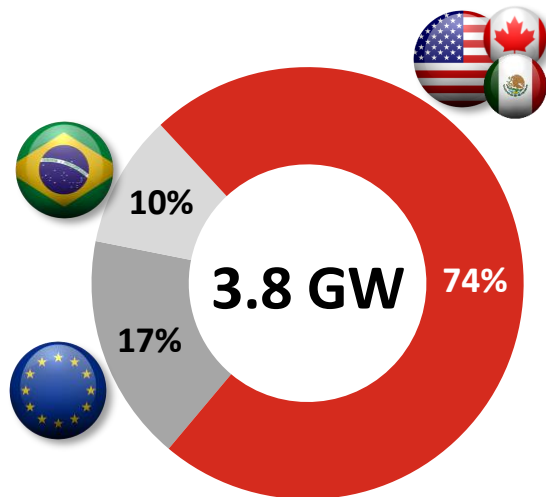
BP 2016-20: 3.5 GW Target



Strong potential to benefit from a majority stake sell-down strategy...

74% from NA

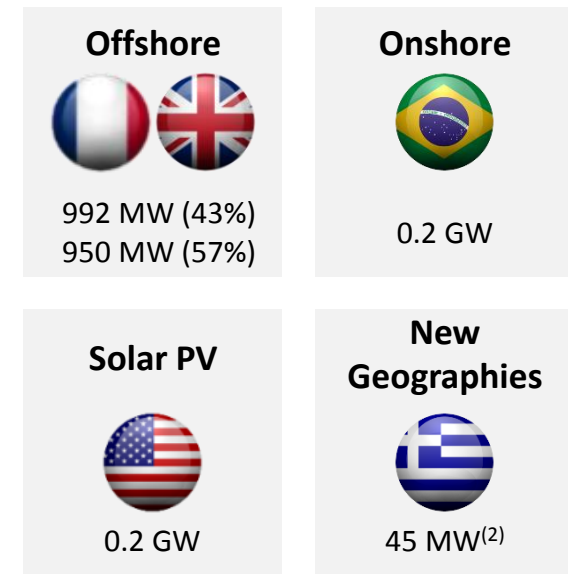
By Geography



...with North America continue leading the main growth...

Post 2020 Secured

Post 2020



...besides post 2020 strong visibility backed by value accretive projects and technological mix

(1) Includes 0.2 GW of Riverstart with expected CoD in 2022; (2) Expected for 2020

Conclusions

- Higher volume contributing (+7%) to Revenues performance (-7% YoY) and mitigating forex (-5%), scheduled PTCs expiration (-3%) and expected price evolution (-5%)
- Positive performance of Core Opex/ Avg. MW (-1% YoY) on the back of O&M strategy and cost control
- EBITDA increasing 1% YoY ex-fx , propelled by business performance despite expected impacts from PTCs expiration and Eastern Europe
- Net profit at €139m (+4%YoY) benefitting from improved financial results and tax rate. RCF totaled €507m, increasing 3% YoY like-for-like
- Exceeding BP 2016-20 target of new capacity with 3.8 GW already built/ secured

CONTACTS



IR Contacts

Rui Antunes, Head of IR, P&C and Sustainability
Maria Fontes
Pia Domecq
Marten Menke

E-mail: ir@edpr.com
Phone: +34 914 238 402
Fax: +34 914 238 429

Serrano Galvache 56, Edificio Olmo, 7th Floor
28033, Madrid - Spain

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